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FISCAL IMPACT STATEMENT

LS 7722

BILL NUMBER: HB 1647

NOTE PREPARED: Feb 23, 2007

BILL AMENDED: Feb 23, 2007

SUBJECT: College Head Start.

FIRST AUTHOR: Rep. Porter

FIRST SPONSOR: Sen. Lubbers

BILL STATUS: As Passed House

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: *21st Century Scholars:* This bill expands eligibility for the 21st Century Scholars program to grade 6 and grade 7 students. The bill allows a student to apply even if the student would use the scholarship for part-time study.

Advance Placement Courses: The bill adds gender and minority participation as factors to be considered in the distribution of advanced placement course funds.

(Amended) *Dual Credit Courses:* The bill requires a state educational institution to waive tuition for any high school student for up to five dual credit courses; provides that students eligible for the national breakfast and lunch program are entitled to have tuition waived for more than five dual credit courses. It requires the school corporation in which a student resides to pay the tuition waived by a state educational institution for dual credit courses.

Graduation Calculation: The bill establishes an informational graduation rate calculation based on dividing the number of graduates by the number of students who were enrolled in grade 9.

Effective Date: July 1, 2007.

Explanation of State Expenditures: *Twenty-First Century Scholars:* The bill changes the grade for eligibility to enter the program from Grade 8 to Grades 6 and 7. The bill should not significantly increase the long-term cost of the program, but could increase the costs in the first year of providing information and enrolling Grades 6, 7, and 8 instead of just Grade 7 and 8 and providing services to grades 6 and 7 to encourage students to go to college. The program currently does enroll 7th grade students in the program.

Allowing the grant to be used for part-time students could increase the number of students that would qualify for awards. It is unknown the number of students that might attend part-time instead of full time. The State Student Assistance Commission does have a part-time award that is used by 5,409 students with an average award of \$1,022. The part-time awards are limited by the amount of the appropriation but the 5,409 part-time awards make up about 8% of the total awards. If the 21st Century Scholarship had a similar experience, the number of awards could increase by about 716 awards and scholarships could increase by about \$731,000.

Background: The General Fund appropriations for the 21st Century Scholars Program have been the following.

	FY 2004	FY 2005	FY2006	FY2007
Administration	\$2,586,443	\$4,086,443	\$2,000,000	\$2,000,000
Awards	\$15,996,500	\$18,402,449	\$18,402,449	\$19,171,429

(Revised) *Dual Credits:* The bill requires a state educational institution to waive tuition for up to five dual credit courses for any high school student eligible for the national breakfast and lunch program. State colleges could also have increase costs due to providing dual credit courses. However, the additional costs would be reimbursed by the school corporation where the student is included in the school's ADM.

Background on Current Level of Advanced Placement Participation: For FY 2006 25,362 students took AP exams, representing about a 4.2% percent increase from 2005.

Graduation Calculation: The bill defines calculation of graduation rate of schools. The calculation is the number of students graduating in a year divided by the number of student enrolled in 9th grade at the period of reporting year five years before adjusted the number of students that have entered and left the graduating class. Setting the method of determining the graduation rate should have no fiscal impact on the state.

Explanation of State Revenues:

Explanation of Local Expenditures: *Dual Credits:* The bill requires high schools to pay tuition to college for up to five dual credit courses would increase school expenditures. The amount of the increase would depend on the number of students taking dual credit courses.

Explanation of Local Revenues:

State Agencies Affected: State Student Assistance Commission, Department of Education.

Local Agencies Affected: Local Schools.

Information Sources:

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